

FISCAL NOTE

SB 687 - HB 1112

March 9, 2005

SUMMARY OF BILL: Extends the moratorium on nursing facility beds, including hospital beds converted to either hospital swing beds or nursing home beds and nursing home beds added by the 10 bed – 10% rule until June 30, 2007. Continues to limit the expansion of skilled Medicare beds and deletes the issuance of a certificate of need for five new private pay nursing home beds per year.

ESTIMATED FISCAL IMPACT:

State Expenditures – Cost Avoidance – Exceeds \$1,000,000

Other Fiscal Impact – Federal Expenditures – Cost Avoidance – Exceeds \$2,000,000

Forgone Revenue – Exceeds \$200,000/Nursing Home Bed Tax

Assumptions:

- The TennCare Program will avoid increase reimbursement expenditures for Long Term Care which could exceed \$1,000,000 in state expenditures and exceed \$2,000,000 in federal expenditures.
- Annual reimbursement for FY 06 is estimated at \$107.99 per day.
- The State would forgo any increased revenues from the nursing home bed tax of \$2,225 per bed which is estimated would exceed \$200,000.
- Estimate is based on 100 additional Medicaid beds.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



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James W. White, Executive Director